

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Mark Acton, Vice Chairman;  
Nanci E. Langley; and  
Robert G. Taub

Grant Post Office  
Grant, Iowa

Docket No. A2011-44

ORDER AFFIRMING DETERMINATION

(Issued December 5, 2011)

I. INTRODUCTION

On August 11, 2011, Laurenda Mifflin (Petitioner Mifflin) filed a petition with the Commission seeking review of the Postal Service's determination to close the post office located in Grant, Iowa.<sup>1</sup> Petitions were subsequently received from Robert Molnar on August 19, 2011, and Nancy Taylor on August 25, 2011.<sup>2</sup> After reviewing the record in this proceeding, the Commission affirms the Final Determination to close the Grant, Iowa post office.

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<sup>1</sup> Petition for Review of Laurenda Mifflin, August 11, 2011 (Mifflin Petition).

<sup>2</sup> Petition for Review of Robert Molnar, August 19, 2011 (Molnar Petition); and Petition for Review of Nancy Taylor, August 25, 2011 (Taylor Petition). The three Petitioners cited together will be referred to as Petitioners.

## II. PROCEDURAL HISTORY

On August 12, 2011, the Commission established Docket No. A2011-44 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>3</sup> On August 24, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>4</sup>

On September 2, 2011, Petitioner Mifflin filed a Participant Statement (Form 61) opposing closure of the Grant post office.<sup>5</sup> Petitioners Molnar and Taylor each filed a Participant Statement on September 20, 2011.<sup>6</sup> The Postal Service filed comments on October 5, 2011.<sup>7</sup> The Public Representative filed reply comments on October 21, 2011.<sup>8</sup> No other pleadings have been filed.

## III. BACKGROUND

The Grant post office, an EAS-53 level office, is located in Montgomery County, Grant, Iowa, an incorporated community. Final Determination at 2, 7. The Grant postmaster retired on July 10, 2010, and since then an officer-in-charge (OIC) has operated the office. *Id.* at 2. The Grant post office provides window service from 8:30 a.m. to 1:00 p.m., Monday through Friday, and 9:00 a.m. to 11:00 a.m. on Saturday. *Id.*; Administrative Record, Item No. 15 at 1. Lobby hours are 7:00 a.m. to 7:00 p.m., Monday through Saturday. *Id.* In addition to providing retail services (for

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<sup>3</sup> Notice and Order Accepting Appeal and Establishing Procedural Schedule, August 12, 2011 (Order No. 800).

<sup>4</sup> The Administrative Record is attached to United States Postal Service Notice of Filing, August 24, 2011 (Administrative Record). The Administrative Record includes as Item No. 47 the Final Determination to Close the Grant, IA Post Office and Establish Service by Rural Route Service (Final Determination).

<sup>5</sup> Participant Statement of Laurenda Mifflin, September 2, 2011 (Mifflin Participant Statement).

<sup>6</sup> Participant Statement of Robert Molnar, September 20, 2011 (Molnar Participant Statement); Participant Statement of Nancy Taylor, September 20, 2011 (Taylor Participant Statement).

<sup>7</sup> United States Postal Service Comments Regarding Appeal, October 5, 2011 (Postal Service Comments).

<sup>8</sup> Public Representative Reply Comments, October 20, 2011 (PR Reply Comments).

example, the sale of stamps, stamped paper, and money orders), the Grant post office offers several special services as well as service to 44 post office box or general delivery customers and no delivery customers. Final Determination at 2; Administrative Record, Item No. 1. There are no permit mailers or postage meter customers. Final Determination at 2; Administrative Record Item Nos. 15, 18.

The Postal Service reports that the retail window at the Grant post office averaged 12 transactions accounting for 12 minutes of retail workload daily. Final Determination at 2. Receipts at the Grant post office were \$11,740 (31 revenue units) in FY 2008, \$11,757 (31 revenue units) in FY 2009, and \$9,034 (24 revenue units) in FY 2010. *Id.*; Administrative Record, Item No. 18.

The Grant post office customers will retain the name of the Grant post office and ZIP Code in their addresses. Final Determination at 7.

The Postal Service will provide retail and delivery service to cluster box units administered from the Villisca, Iowa post office located 17 miles away.<sup>9</sup> *Id.* Administrative Record, Item No. 18, Fact Sheet #19. Window service hours at the Villisca post office, an EAS-level 16 post office, are from 8:30 a.m. to 4:00 p.m., Monday through Friday, and none on Saturday. Final Determination at 2; Administrative Record, Item No. 21 at 1. There are a total of 100 post office boxes available at the Villisca post office. Final Determination at 2; Administrative Record, Item No. 18.

The Elliott post office is 10 miles from the Grant post office.<sup>10</sup> It provides retail service hours from 7:15 a.m. to 12:30 p.m. and 1:30 to 4:00 p.m., Monday through Friday, and 9:30 a.m. to 11:30 a.m. on Saturday. Post office box access is 24 hours a day. Administrative Record, Item No. 21a.

On February 14, 2011, the Postal Service distributed 45 questionnaires to Grant delivery customers. Final Determination at 2; Administrative Record, Item No. 23. A

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<sup>9</sup> MapQuest estimates the driving distance between the Grant and Villisca post offices to be approximately 15 miles (18 minutes driving time).

<sup>10</sup> MapQuest estimates the driving distance between the Grant and Elliott post offices to be approximately 10 miles (19 minutes driving time).

letter from the Manager, Post Office Operations in Des Moines, Iowa explained the possible change in service and requested customer opinions. Administrative Record Item No. 21a. Additional questionnaires were made available to over-the-counter walk-in customers. Final Determination at 2; Administrative Record, Item No. 20. Twenty-seven questionnaires were returned—3 were favorable, 13 were unfavorable, and 11 expressed no opinion. Final Determination at 2; Administrative Record, Item No. 23. A petition with 73 signatures in favor of retaining the Grant post office was presented to the Postal Service on February 23, 2011. Final Determination at 2; Administrative Record, Item No. 27, 27a-b. A community meeting was held February 28, 2011. Forty-seven customers were present. Administrative Record, Item Nos. 24-25.

The proposal to close the Grant post office was posted at the Grant, Elliot and Villisca post offices from March 22, 2011 to May 23, 2011. Final Determination at 2; Administrative Record, Item Nos. 33 and 36. An invitation to comment on optional comment forms was posted with the proposal. Administrative Record, Item Nos. 34-36. Comments on the proposal were submitted to the Postal Service by Petitioner Mifflin and one other customer. Administrative Record, Item No. 38. The Final Determination was posted on August 1, 2011 at the Villisca post office. Final Determination at 1. It was also posted at the Grant post office. Mifflin Participant Statement, Item 1.

#### IV. PARTICIPANT PLEADINGS

*Petitioners.* Petitioner Taylor is concerned that the loss of the Grant post office will have a huge impact on a small town and that, of the 92 people in Grant, 73 signatures were on the petition in opposition to closing the post office indicating a good percentage of customers want to keep the post office open. Taylor Participant Statement at 4. Petitioner Taylor also questions the accuracy of the Postal Service's projected economic savings and suggests other ways the Postal Service could save money. *Id.* at 1-3.

Petitioners Mifflin and Molnar cite the disadvantages of cluster box delivery such as safety concerns, the inconvenience in meeting the carrier for transactions, and the

exposure to cold in inclement weather, especially for the elderly and disabled. They dispute the Postal Service's reasoning that home delivery would be inefficient because, they believe, carriers already carry two different trays for the two different town addresses, Grant and Villisca. They claim they will not be receiving the maximum degree of effective and regular service. Mifflin Participant Statement at 2-4; Molnar Participant Statement at 2.

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to discontinue the Grant post office. Postal Service Comments at 2. The Postal Service maintains that it has followed the closing procedures of 39 U.S.C. § 404(d) and carefully considered the required factors of section 404(d)(2) in making its determination. *Id.* at 3.

The Postal Service states that its decision to close the Grant post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload generating low and declining revenue;
- the need for more operational flexibility;
- the variety of delivery and retail options available;
- minimal impact upon the community; and
- expected financial savings.

*Id.* at 4. The Postal Service asserts that it has addressed each of the concerns raised by Petitioners and that it has satisfied the requirements of 39 U.S.C. § 404(d). *Id.* at 11-12.

*Public Representative.* The Public Representative asserts that the Postal Service addressed the effect of closing on the community and is preserving the community identity. PR Reply Comments at 3. He believes the Postal Service has adequately supported its finding of economic savings and successfully rebutted the claim that the Postal Service's reason for closing is economic loss. *Id.* at 3-4. On the other hand, the Public Representative asserts the Postal Service ignored entirely Petitioners' concerns about the inconvenience of cluster boxes when there is bad

weather, especially for the elderly, and concludes that the Commission should remand to consider the problems of elderly and disabled citizens accessing cluster boxes in inclement weather. *Id.* at 4.

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

### A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

Notice of the proposal was posted at the Grant, Elliot, and Villisca post offices from March 22, 2011 to May 23, 2011. Final Determination at 2; Administrative

Record, Item Nos. 33, 36. At the same time, the Postal Service posted an invitation for customers to comment on the Proposal. Administrative Record, Item Nos. 34-36. The Postal Service received two comments during the 60-day comment period. *Id.* Item No. 38. The Final Determination to close the Grant post office was posted on August 1, 2011 at the Grant and Villisca post offices. Mifflin Participant Statement, Item 1; Final Determination at 1.

No Petitioner objects to the Postal Service's notice procedures. The record demonstrates the Postal Service complied with the notice provisions of 39 U.S.C. § 404(d)(4) and (d)(5).

#### B. Other Statutory Considerations

To reach a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

*Effect on the community.* Grant, Iowa is an incorporated community located in Montgomery County. Administrative Record, Item No. 16. The community is administered politically by a Mayor and Council. *Id.* Police protection is provided by the Montgomery County Sheriff and fire protection is provided by the Grant Fire Department. *Id.* The questionnaires completed by Grant customers indicate that, in general, the retirees, self-employed, commuters, and others who reside in Grant travel elsewhere for other supplies and services. Postal Service Comments at 8 (questionnaires cited by the Postal Service in Administrative Record, Item No. 22).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers. As part of its investigation in this case, the Postal Service distributed 45 questionnaires to postal patrons and 27 were returned. Final Determination at 2. In addition, a community meeting was held February 28, 2011. The Postal Service analyzed the comments in the questionnaires and the

comments received at the community meeting and provided responses to the concerns expressed. *Id.*; Administrative Record, Item Nos. 23, 23a-b; 25a-b. The Postal Service recognizes that the loss of a retail outlet and a postmaster position in the community is a disadvantage of the closing, but that many retail services can be provided by the replacement carrier. Final Determination at 2, 7.

Another disadvantage of the closing will be the need to change individual mailing addresses, but the Postal Service has taken steps to ensure the community identity will not be lost. Installation of cluster box units (CBUs) at Postal Service expense will allow customers to retain the Grant name and ZIP Code in postal addresses. *Id.* Moreover, in hardship cases, home delivery is available. *Id.* at 5; Postal Service Comments at 10; see *also* Postal Operations Manual (POM) § 631.42.<sup>11</sup> Also, customers living less than one-half mile from the rural carrier's line of travel to the cluster boxes may obtain delivery of accountable items and large parcels. Final Determination at 3, 7.

Petitioner Mifflin would prefer rural route home delivery. Mifflin Participant Statement at 2. The Postal Service appears to acknowledge that this would be feasible: "Customers may be able to obtain curbside delivery but it may mean that they would need to change their address to Villisca, IA 50864." Final Determination at 2. Nevertheless, the Postal Service claims that in order to allow those in the community to maintain Grant, IA 50847 in their address, deliveries to that ZIP Code need to be commingled in one delivery tray. *Id.* The Postal Service suggests that otherwise home delivery would be inefficient and encourage misdeliveries because the carrier would be required to handle two trays—one tray that would maintain the address "Grant, IA 50847" for Grant customers who receive CBU deliveries and a second tray for the remaining customers who receive home delivery with a "Villisca, IA 50864" address. *Id.* at 2. See *also* Administrative Record, Item No. 17a.

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<sup>11</sup> POM § 631.42 provides for consideration of changes in the mode of delivery where existing methods impose an extreme physical hardship on an individual customer. Approval is to be based on humanitarian and not economic criteria evaluated on the basis of the customer's need and not denied because of increased operational costs or because a family member or other party may be available to receive mail for the customer. POM, Issue 9, July 2002.



Petitioners claim that even if all Grant deliveries were made to CBUs, the carrier would still be required to carry two trays since he already carries one tray for deliveries to several customers who live on the outskirts of Grant, but have a Villisca address. Mifflin Participant Statement at 2: Molnar Participant Statement at 2. If, however, rural carrier deliveries to customers of the Grant post office were separated into two trays (one tray for CBU deliveries and one tray for curbside deliveries), as suggested by the Postal Service, the additional tray identified by Petitioners Mifflin and Molnar for customers on the outskirts of Grant would constitute a third tray that the carrier would be required to handle. With or without consideration of this third tray, the addition of curbside home delivery for Grant post office customers would complicate the rural carrier's task as the Postal Service has argued. On the basis of this record, it appears that the Postal Service's decision to provide rural service to CBU's in order to maintain the community's identity is therefore reasonable.

The Commission concludes the Postal Service has considered the effect upon the community of closing the Grant post office and has complied with that requirement in 39 U.S.C. § 404(d)(A).

*Effective and regular service.* The Postal Service argues that the proposed replacement services will provide effective and regular postal services. Postal Service Comments at 5-7. It asserts that customers will not need to travel to another post office for most retail service, that the carrier on the route can handle most transactions if customers meet the carrier at the cluster box or leave notes and money in their locked cluster box, and that rural route carriers are able to handle most transactions including the purchase of money orders and most special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation and COD. Final Determination at 3-4. The Stamps by Mail program is also available from the carrier. *Id.* at 4. Also, carriers will deliver packages up to one-half mile off of the line of travel. *Id.* at 6. In hardship cases, customers with a disability can receive delivery to their home. *Id.* at 5.

In addition, the Villisca post office offers window service hours that are three hours longer than the Grant window service hours Monday through Friday, but it is closed on Saturday. The Elliot post office is open more hours than the Grant post office Monday through Friday and, like Grant, is open for 2 hours on Saturday. *Id.*; Administrative Record, Item No. 21a.

Petitioners Mifflin and Molnar challenge the Postal Service's assertions by arguing that the cluster boxes are not as safe as home delivery, that customers must wait at the cluster box for the carrier to transact business, that cluster box locks are difficult to operate in cold weather, and that elderly and disabled cannot reach cluster boxes as easily as home mailboxes. Mifflin Participant Statement at 2-4; Molnar Participant Statement at 2.

The Postal Service responds by asserting that special provisions can be made in hardship cases for those persons with physical conditions such as arthritis; that most postal transactions do not require meeting the carrier at the cluster box; that it has investigated security concerns and found them not to be significant; and that services will continue to be available at the Villisca post office. Postal Service Comments at 6-7.

The Public Representative notes the arguments of Petitioners Mifflin and Molnar, and characterizes the responses of the Postal Service as "canned." PR Reply Comments at 3. The Public Representative recommends a remand to consider the problems of the elderly and disabled accessing cluster boxes that are exposed to inclement weather. *Id.*

The Commission appreciates the concerns expressed by Petitioners and the Public Representative. The difficulties encountered by the elderly and disabled during winter months must be taken seriously. However, their assessment must be made in context. The Grant post office has 44 post office box customers and no delivery customers. Final Determination at 2. By definition, customers have had to travel to the Grant post office in order to obtain postal services. Those trips to the post office have been made during all seasons, including winter. From the record, it appears that family members and friends have previously provided assistance to elderly and, presumably,

disabled residents in need of transportation. Administrative Record, Item No. 22 (Postal Service Customer Questionnaire, Response to Question 4 regarding services obtained by respondent outside the community: “I don’t have a car and I have to depend on someone else to take me.”) and 22cb (Postal Service Customer Questionnaire, Attachment: “The elderly and disabled arrange for a ride once or twice a month/ or have someone get for them/ Dr. appts [sic] & groceries.”). It is fair to assume that transportation to the Grant post office has also been available to the elderly and disabled. *Id.*, Item No. 22 at 22a (Postal Service Customer Questionnaire, Response to Question 1(c): “Occasionally pick up elderly and handicapped peoples’ mail”. It is also fair to assume that transportation to either the CBU or the Villisca post office will continue to be available to the elderly and disabled through the generosity of family members and friends.

Moreover, in addition to other alternative means for accessing postal services, such as Stamps by Mail, the Postal Service has represented that special arrangements can be made in hardship situations. Postal Service Comments at 6-7. Petitioner Mifflin has questioned whether, as a practical matter, such arrangements are available by citing two newspaper reports that a Postal Service representative allegedly stated that merely having a driver’s license would preclude any hardship relief. Mifflin Participant Statement, Items 3, 4. Without more information, the Commission cannot assess whether the Postal Service’s reliance in its comments on the hardship exception is illusory, as alleged. The Commission notes, however, that POM § 631.42.b. indicates that consideration of hardship exceptions will be based upon “humanitarian” criteria. The Commission expects the Postal Service to observe its stated criteria for granting hardship exceptions.

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has considered its ability to provide a maximum degree of effective and regular service. 39 U.S.C. § 404(d)(2)(A)(iii).

*Economic savings.* The Postal Service estimates closing the Grant post office will yield an annual savings of \$18,957. Final Determination at 8. This savings is

calculated as the sum of the postmaster salary (EAS-53, no COLA) of \$15,350, benefits of \$5,142 and rent of \$3,400 for a total annual cost of \$23,892. This total cost savings is offset by the estimated cost of replacement cluster box delivery service of \$4,935. The Postal Service also estimates a one-time expense of \$2,077 for CBU/parcel locker installation related to moving the Grant facility. *Id.* Item No. 15 at 2. It appears that no post office box revenue will be lost since there is no charge for Grant's post office box customers. Mifflin Participant Statement ("We don't pay any [box] fees now.") The Postal Service has demonstrated that closing the Grant post office and providing delivery service will provide a savings for the Postal Service.

Petitioner Taylor questions the accuracy of the projected savings and suggests various other strategies for reducing Postal Service costs. Taylor Participant Statement at 1-3. Petitioner Mifflin questions why the Postal Service did not look at the specific cost of delivering to the homes of Grant post office customers. Mifflin Participant Statement at 2. The Postal Service responds by asserting that the savings projected in the Final Determination is accurate. Postal Service Comments at 10. The Postal Service states further that it is evident from Item No. 17a in the Administrative Record that the cost of home delivery would be significantly more expensive than delivery to CBUs. *Id.* Finally, the Postal Service claims that it has considered alternate cost reduction strategies similar to those proposed by Petitioner Taylor and has concluded that rural route service is the most effective solution for providing regular and effective service to the Grant community. *Id.* at 10-11.

Upon review of the record and the arguments presented by Petitioners and the Postal Service, the Commission finds that the Postal Service has satisfied the requirement in section 404(d)(2)(A)(iv) that it consider economic savings.

*Section 101(b).* Finally, Petitioner Mifflin asserts that closure of the Grant post office would violate the statutory provisions that prohibit closing any small post office solely for operating at a deficit. 39 U.S.C. § 101(b). Mifflin Participant Statement at 2-3. The Postal Service argues that economic factors were not the only factors it considered in reaching its decision. Postal Service Comments at 11.

Having examined the record, the Commission is not prepared to conclude that the Postal Service's determination violates section 101(b). In addition to considering the post office's level of revenue, the Postal Service, in fact, considered the postmaster vacancy, a minimal workload, the variety of delivery and retail options, the impact on the community, and the impact on postal employees.

*Effect on employees.* The Postal Service states that the OIC will return to her home office and continue employment and the non-career postmaster relief employee may be separated from the Postal Service. No other employee will be adversely affected. *Id.* The Postal Service considered the effect of the closing on employees.

## VI. CONCLUSION

Based on its review of the record before it, the Commission concludes that the Postal Service has adequately considered all requirements of 39 U.S.C. § 404(d). Accordingly, its determination to close the Grant, Iowa post office is affirmed.

*It is ordered:*

The Postal Service's determination to close the Grant, Iowa post office is affirmed.

By the Commission.

Shoshana M. Grove  
Secretary

### DISSENTING OPINION BY CHAIRMAN GOLDWAY

In most cases, when the Postal Service decides to close a post office, it arranges to provide rural delivery or highway contract delivery as a form of substitute service. In this instance, the residents affected by the closure of this post office were offered a lesser form of service, Cluster Box Delivery.

Receiving mail delivery at a curbside mailbox near one's residence is certainly not a right. But in this case, the Postal Service already provides home delivery (rural delivery service) to the adjoining neighborhoods. The two nearest alternate post offices are 15 and 20 minutes driving distance, further than was the case in most of the post office closing appeals heard by the Commission this year.

I believe that the Postal Service cites unpersuasive reasons in its response to residents' request for delivery to curbside mailboxes.

(While the Administrative Record suggests that some patrons may be able to receive curbside delivery, there is the condition that the patrons must surrender their town name and identity and instead use a Villisca address. The Postal Service recognizes that preservation of town identity through address and separate ZIP Code is important.)

Grant patrons had been provided Saturday retail service hours. The administrative post office in Villisca is not open on Saturday, imposing difficulty on the ability to get and send packages on the day that many people are best able to do this.

In sum, I believe the Postal Service is not going to provide adequate, regular, comparable and efficient service to this community.

I would remand this case to allow the Postal Service to reconsider how to provide better service in Grant, as well as to better address customers' concerns regarding cluster boxes and rural delivery in light of the home delivery options available to neighboring communities and the distances that citizens of Grant would have to travel to use a retail post office.

Ruth Y. Goldway